

**MINUTES
of the
THIRD MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

**August 28, 2013
University of New Mexico Cancer Center
Albuquerque**

The third meeting of the Tobacco Settlement Revenue Oversight Committee (TSROC) for the 2013 interim was called to order by Representative Elizabeth "Liz" Thomson, co-chair, on Wednesday, August 28, 2013, at 10:20 a.m. at the University of New Mexico (UNM) Cancer Center in Albuquerque, New Mexico.

Present

Sen. Cisco McSorley, Co-Chair
Rep. Elizabeth "Liz" Thomson, Co-Chair
Rep. Gail Chasey
Rep. Monica Youngblood

Absent

Sen. John C. Ryan
Sen. John Arthur Smith

Advisory Members

Sen. Linda M. Lopez
Sen. Lisa A. Torracio
Rep. Jim R. Trujillo

Rep. Paul C. Bandy
Rep. Kelly K. Fajardo
Sen. Mary Kay Papen

Staff

Shawn Mathis, Legislative Council Service (LCS)
Jennifer Dana, LCS
Branden Ibarra, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts are in the meeting file.

Wednesday, August 28

Call to Order

Representative Thomson called the meeting to order and welcomed the committee members, staff, presenters and audience members to the meeting. Upon her request, committee members and staff then introduced themselves.

Welcome and Update on UNM Health Sciences Center (HSC)

Richard Larson, M.D., executive vice chancellor and vice chancellor for research of UNM HSC, welcomed the committee members to the UNM Cancer Center. Dr. Larson informed the committee that UNM HSC plays a critical role in New Mexico; the facility delivers health care services, trains health professionals, fosters innovation in biomedical research and contributes to New Mexico's economy. Dr. Larson told the committee that UNM HSC carries out its mission through exceptional delivery of comprehensive, high-quality and unique patient care; by growing and educating the next generation of health care professionals; and, through research, by creating new knowledge to increase the quality of life for New Mexicans. Dr. Larson informed the committee that funding to the HSC has decreased steadily since 2007. The HSC has adapted to manage an increased workload with reduced staff and has consolidated and merged management oversight.

Dr. Larson informed the committee that the UNM Cancer Center uses tobacco settlement funds (TSFs) to support clinical care, education and research into tobacco-related illnesses, including cancer, infectious diseases and immunity, brain and behavioral illnesses, diabetes and vascular diseases; to support biomedical research; and to fund other needed health-related programs. Specifically, TSFs support the New Mexico Poison and Drug Information Center (NMPDIC), the pediatric oncology program and biomedical research. In addition to the aforementioned programs, TSFs are also used to support trauma care, primary care, faculty education, facility retention and pilot funding. Dr. Larson stressed the importance of pilot funding as a primary mechanism for obtaining federal support money. Pilot funding returns \$8.00 to \$20.00 per each \$1.00 invested. (For more information regarding pilot funding, see slides 19 through 21 of the handout, marked as agenda item 1.) Dr. Larson concluded his presentation with an overview of the types and number of research projects taking place in select New Mexico counties.

Questions and Comments

Several committee members expressed support for UNM HSC and voiced their desire to continue seeing the HSC receive TSFs. There was discussion regarding a former bill that would have seen \$50 million returned to the Tobacco Settlement Permanent Fund from the general fund; this money would have been used to ensure that programs like those at UNM HSC continue to receive funding in the future. A committee member stated that he plans to introduce the same bill in the upcoming legislative session.

A committee member asked if Dr. Larson had ever given a similar presentation to the Legislative Health and Human Services Committee (LHHS) or Legislative Finance Committee (LFC) specifically detailing how TSFs are used by UNM HSC. The committee member stated that it is important for the LHHS and LFC to hear the information that Dr. Larson presented and that a presentation could go a long way toward ensuring that TSFs would be allocated to UNM HSC in the future. Dr. Larson stated that he has given presentations to the LHHS and LFC in the past, and he would be willing to give presentations to those committees in the future, if invited.

Another legislator remarked on how TSF money is allocated at UNM HSC for purposes of commercialization and technology start-ups. The legislator specifically mentioned the Project ECHO program. The legislator stated that it is important for New Mexicans to know that funds are being distributed throughout New Mexico, not just in Albuquerque.

A committee member asked about the level of collaboration between UNM HSC and the pediatric pulmonology team established in the 1980s. The partnership was formed to ensure medical and research outreach throughout the state. Dr. Larson stated that Project ECHO is the most prominent program operated through the HSC and that it has a statewide footprint. In this project, UNM HSC experts consult with local practitioners so that patients can be treated in their communities. Data published in the *New England Journal of Medicine* about the findings from Project ECHO demonstrate that treating patients in their communities is just as effective as treating them in Albuquerque. Project ECHO keeps primary care physicians involved and results in great cost savings and convenience for patients. This program is being replicated in many other states and foreign countries. Dr. Larson stated that an additional statewide program treating pediatric asthma has been very successful and is one of UNM HSC's largest clinical trials. In addition to bringing treatment to patients in their communities, the program's collaboration with businesses has positively affected New Mexico's economy. Dr. Larson informed the committee that more than 1,200 sustainable green jobs have been created out of private-public partnerships. Of these, approximately 90% are in Bernalillo County or contiguous counties. Dr. Larson told the committee that New Mexico State University in Las Cruces has more of an impact in the southern portion of the state than UNM.

Other legislators commented that Project ECHO and the pediatric asthma project should be brought to the attention of the LHHS and LFC. The legislators agreed that UNM HSC's programs are medically and economically beneficial, and if they are not promoted, others will think the tobacco funds should be used for other purposes. Legislators agreed that there needs to be greater advocacy on the part of committee members and communication with those who sit on the finance committees to protect the tobacco funds.

UNM Cancer Center Update

Dr. Cheryl Willman, professor of pathology and internal medicine and director and chief executive officer of the UNM Cancer Center, began her presentation by sharing the mission and goals of the cancer center with the committee. She stated that the cancer center has an ethical imperative to ensure that all New Mexicans have access to state-of-the-art cancer treatment and that they benefit from advances in cancer research. Dr. Willman informed the committee of the cancer center's accomplishments, including achieving National Cancer Institute (NCI) designation in 2005. NCI designations are reviewed every five years. In 2010, the cancer center's NCI designation was successfully renewed. The center received an "Excellent/ Outstanding" rating. Funds from the NCI at the National Institutes of Health are the major source of funding for research, community programs and new cancer treatments at the UNM Cancer Center. (Please refer to slide 3 of the handout, marked as agenda item 2, for more information.) The UNM Cancer Center is New Mexico's official cancer center and the only NCI-

designated Cancer Center in the state. The UNM Cancer Center has received several national commendations for its work, including from The Joint Commission, the American College of Surgeons Commission on Cancer and the American Society of Clinical Oncology Quality Oncology Practice Initiative. (Please refer to slide 5 of the handout, marked as agenda item 2, for more information.)

Dr. Willman stressed the positive health and economic impacts of the UNM Cancer Center for New Mexicans. The cancer center cares for over 50% of adults and over 98% of children with cancer in New Mexico. Nearly 16,000 cancer patients, representing all New Mexico counties, were served at the UNM Cancer Center in fiscal year (FY) 2011. (Please refer to slide 4 of the handout, marked as agenda item 2, for more information.) The UNM Cancer Center is one of the few NCI centers in the nation providing care to the uninsured, and it accepts all forms of insurance. The UNM Cancer Center is working to reduce cancer health disparities in New Mexico's multiethnic and rural populations through community outreach, and it provides access to new cancer treatments through a statewide cancer clinical trials network called the New Mexico Cancer Care Alliance. Since 2005, community outreach efforts have successfully trained 75 Hispanic promotoras and 333 Native American community health workers and established the Native American Cancer Leadership Institute. These efforts have resulted in development and implementation of RIOS Net, Project ECHO and Project HERO. (Please refer to slide 8 of the handout, marked as agenda item 2, for more information.)

Dr. Willman told the committee that the UNM Cancer Center is an economic asset to the state. She said that the Cancer Center is one of the best in the nation because it strives to recruit and hire outstanding faculty members. She informed committee members that four new employees are scheduled to join the staff soon in the areas of hematology/oncology research. The center employs 41 faculty members and has filed 106 patents. Sixty-two patents have been awarded. Seven new start-up companies have formed, stemming directly from UNM Cancer Center research projects. (Please refer to slide 5 of the handout marked as agenda item 2, for more information.)

Dr. Willman concluded her presentation with a brief discussion of House Bill (HB) 315 (2012) — lung cancer research. She informed the committee that this bill was passed and signed into law in the 2012 regular session. It appropriated \$1 million from the Tobacco Settlement Program Fund (TSPF) to the Board of Regents of UNM for FY 2013 to conduct lung cancer research. She informed the committee that the UNM Cancer Center has not received these funds. (Please refer to slides 12 and 13 of the handout, marked as agenda item 2, for more information.)

Questions and Comments

A committee member asked whether the \$1 million appropriated in HB 315 came from TSFs. Dr. Willman told the committee that the bill said that the funds should come from the TSPF without specification. However, UNM HSC became concerned that other UNM programs receiving tobacco funds would see funding cuts. The intention was to request an additional \$1

million for lung cancer research from the TSPF, not redirect \$1 million from other UNM HSC programs.

Another legislator said she heard that there is a shortage of health care workers in New Mexico, but Dr. Willman's presentation suggested otherwise. The legislator asked for clarification. Dr. Willman told the committee that both statements are true. She explained that physicians who want to practice in an academic research center want different things than those who practice in the community. Research physicians receive approximately one-half of the compensation of community physicians. A highly paid cancer doctor at UNM HSC makes approximately \$350,000 per year; a private practice physician earns nearly twice as much annually. Dr. Willman informed the committee that, despite the difference in pay, UNM HSC has a relatively easy time recruiting because the center focuses on recruiting only those who have shown that they want to work in academia and research. Dr. Willman told the committee that, as an added incentive, UNM HSC gives new doctors great start-up packages, including some endowed chairs. Dr. Willman told the committee that the state does match some money for endowed chairs. While New Mexico is losing community physicians, it is not losing research physicians.

A committee member asked about the number of endowed chairs at UNM HSC. Dr. Willman said that there are six endowed chairs; there are also endowed professorships.

Another legislator commented that other universities have more than 100 endowed chairs. He stated that endowed chairs are important. He questioned whether New Mexico should be investing permanent funds at a 7% rate instead of in endowed chairs that generate jobs and economic activity in New Mexico.

A committee member asked about cancer treatment using telehealth. Dr. Willman stated that this is implemented through Project ECHO. Patients still have to go to UNM HSC for initial treatment and radiation, but they can receive other treatments in their communities. Dr. Willman informed the committee that the telehealth model reduces temporary housing and transportation costs that a patient would otherwise bear.

Another legislator asked about e-cigarettes. The presenter stated that e-cigarettes contain nicotine. There is a pending federal grant to study e-cigarettes. Many states are still deciding whether or not to regulate e-cigarettes.

A committee member asked if grants can be used to pay employee salaries. Dr. Willman stated that part of an employee's salary may be funded by a grant, but the amount that can be used for salaries is capped. Grants are used to help support staff salaries, not to fully fund staff.

Behavioral Health Telephone Call

At the request of committee members, the committee listened to a behavioral health telephone call organized by the Centers for Medicare and Medicaid Services. As a result of a

recent audit, services have been transferred to Arizona providers. The conversation was promoted as a way for consumers to report on the status of services under the providers that have been brought in to replace New Mexico providers.

New Mexico Poison and Drug Information Center

Jess Benson, director, NMPDIC, shared poisoning facts with the committee. There are 2 million to 4 million unintentional poisonings per year in the United States, resulting in 438,000 hospitalizations and 41,600 deaths. Poisoning is the second-highest cause of unintentional injury deaths in the U.S. The annual cost of poisonings in the U.S. is \$4.4 billion. (Please refer to slide 2 of the handout, marked as agenda item 4, for more information.) Mr. Benson informed the committee that the mission of the NMPDIC is to "improve the health of New Mexicans by reducing morbidity and mortality associated with poisoning, adverse drug interactions and medication errors". NMPDIC service components include poison information, drug information and the Department of Health (DOH) All Hazards program. The NMPDIC is staffed by specially trained pharmacists and is accessible 24 hours a day, seven days a week, via a nationwide 800 number. Mr. Benson informed the committee of the national and statewide trends of poison-use programs. Nationally, use of these programs remained fairly steady between 2000 and 2007. Since 2007, there has been a decrease in the number of calls to poison control centers. (Please refer to slide 12 of the handout, marked as agenda item 4, for more information.) The decrease in calls to the NMPDIC has been offset by an increase in hospital calls to poison control centers. NMPDIC utilization shows that 91% of New Mexico counties have acceptable penetration rates.

Mr. Benson educated the committee on the positive impacts of services offered by the NMPDIC. He stated that the NMPDIC saves lives; reduces the cost of care for poisoned individuals; reduces the number and length of poison-related hospitalization stays; prevents poisonings, therapeutic errors and adverse drug events; and improves responses to medication. He told the committee that there are significant cost reductions associated with emergency room use because of the NMPDIC. For FY 2012-2013, the total cost of poisonings if the poison center were not operating would be an estimated \$26.4 million. Because of exposures managed at home, there was a total estimated cost savings of \$17.5 million. This resulted in an overall cost reduction of 66%. (Please refer to slide 7 of the handout, marked as agenda item 4, for more information). Mr. Benson stated that there were also cost reductions associated with minimizing inpatient hospital stays resulting from poisonings. When there was contact with the NMPDIC prior to hospitalization, hospital stays were reduced from approximately five days to two days. This resulted in an estimated savings of \$27.4 million for FY 2012-2013. (Please refer to slide 8 of the handout, marked as agenda item 4, for more information.)

Mr. Benson told the committee how TSFs were used in FY 2012-2013. TSFs amounted to \$590,300 for FY 2012-2013, which was approximately 27% of the funding that the NMPDIC received. Generally, 88% of NMPDIC expenses are for personnel, 3% for computer software, 2% for telephone services and 7% for other expenses (educational materials, travel expenses, office supplies, etc.). (Please refer to slides 10 and 11 of the handout, marked as agenda item 4, for more information.) In FY 2012-2013, TSFs provided direct support to 8,194 callers, 32

poison prevention programs, 15,100 pieces of poison prevention materials to schools, 10 public service announcements and poison center messages to 708,000 New Mexicans and reduced health care expenses by \$4.71 million.

Questions and Comments

A legislator asked Mr. Benson for clarification on the amount in saved medical costs by calling the NMPDIC as opposed to visiting an emergency room in the case of a suspected or confirmed poisoning. Mr. Benson stated that calling the NMPDIC results in approximately \$27 million to \$30 million in avoided medical costs per year. He added that the NMPDIC is in the process of developing an application for use on mobile devices, which people can turn to for information instead of calling the NMPDIC. Mr. Benson said he envisions that the application will be a convenient place for people to get accurate information quickly and that the service will reach people who normally would not use land lines. He believes that the application will widen the NMPDIC client base and result in more people coming into contact with the NMPDIC in the future.

A committee member asked how many staff members work for the NMPDIC. Mr. Benson informed the committee that for the past four years, there has been only one full-time pharmaceutical staff member. There will be another staff member, specializing in toxicology, joining the program in September 2014.

Taxation of Cigarettes and Other Tobacco Products

Shannon Baxter, compliance deputy director, Audit and Compliance Division, Taxation and Revenue Department (TRD), began her presentation to the committee by broadly discussing the Cigarette Tax Act and the Tobacco Products Tax Act. Ms. Baxter stated that the Cigarette Tax Act defines cigarettes and enumerates the excise tax rates for cigarettes. The act also lists exemptions and general licensing provisions. She informed the committee of statutory requirements for inspection of records related to the sale of tobacco, as well as mandatory reporting of cigarette sales to the TRD. The TRD enforces tobacco-related statutes through inspections, audits and seizure of contraband cigarettes. Contraband cigarettes include Master Settlement Agreement (MSA) noncompliant, unstamped and incorrectly stamped cigarettes. Further, the TRD works with the Attorney General's Office (AGO) to ensure compliance with the MSA through recordkeeping, audits and seizures. Additionally, the TRD works with the state fire marshal to report any non-fire safe cigarette sales with the federal Alcohol and Tobacco Tax and Trade Bureau and to report any "roll-your-own" manufacturing without a license, and it works to maintain tribal agreements for reciprocal cigarette taxation. Ms. Baxter told the committee that there are both civil and criminal penalties for selling contraband/counterfeit tobacco products, and penalties are assessed on a continuum scale. The penalty for selling contraband/counterfeit cigarettes ultimately depends on the volume of contraband/counterfeit products recovered.

Ms. Baxter concluded her presentation by talking to the committee about her role in the MSA arbitration. She has testified on behalf of the TRD and the State of New Mexico at

hearings in Chicago regarding New Mexico cigarette tax enforcement efforts from 1986 to date. A decision by the arbitration board is still pending but is expected to be released in September.

Questions and Comments

A committee member asked Ms. Baxter how the TRD cooperates with the AGO when there are confirmed instances of noncompliance. Ms. Baxter said that when the TRD finds that there is an issue with compliance, the TRD contacts the AGO and provides details about the compliance conflict. The AGO makes the decision whether or not to pursue the case further.

A legislator asked about contraband cigarettes found in New Mexico from other states and Indian reservations. Ms. Baxter stated that this information is difficult to quantify, in part because of internet sales of e-cigarettes. She stated that most of the contraband is found on the western and eastern New Mexico borders and on reservations.

A committee member asked about the difference between buying cigarettes on the reservation versus elsewhere in New Mexico. Ms. Baxter stated that tribal tax per pack of cigarettes is \$0.75, while New Mexico tax per pack of cigarettes is \$1.60. The tax paid on cigarettes on tribal land remains with the tribes. While the tax for buying cigarettes on reservations is less than buying cigarettes elsewhere, the presence of a tax does help to "level the playing field" for cigarette distributors. Only the Navajo Nation does not have a cigarette tax. The committee member requested a comparison between the New Mexico cigarette tax and the cigarette taxes of other states.

A legislator asked what other states are doing regarding e-cigarettes. Ms. Baxter stated that Minnesota taxes nicotine, so there is a tax on e-cigarettes. Other states are waiting to see what the federal Food and Drug Administration decides regarding regulation of e-cigarettes. Ms. Baxter added that most cigarette manufacturers see the benefits of the nonregulation of e-cigarettes, and so they are getting involved in this business.

A committee member said he has noticed that e-cigarette advertising links e-cigarettes with youth and freedom, and he questioned whether there has been discussion about this in other states' tax departments. Ms. Baxter said that there is no age limit for purchasing e-cigarettes. Other states have imposed laws requiring age limits for the purchase of e-cigarettes. The DOH has been considering regulations to address e-cigarettes.

A legislator stated that there have been many requests from various organizations within the state that want TSF money. The legislator asked whether the TRD has seen any "red flags" with how some legislators want to spend the funds. Ms. Baxter stated that she was unaware of any funding restrictions. She added that the TRD looks at how the funds are collected with respect to the MSA and not at how the funds are spent. Another legislator acknowledged that there is a statute that defines how the TSFs can be spent but conceded that there are very few restrictions.

A committee member asked if the AGO is concerned about how the TSFs are spent or how other states spend their TSFs. Ms. Baxter stated that the AGO may be keeping an eye on what other states are doing with tobacco funds, but the AGO's focus is mostly on protecting New Mexico's entitlement to the payments.

A legislator asked for a succinct summary of the reason for the MSA arbitration. Ari Biernoff, assistant attorney general, Litigation Division, AGO, stated that the question was whether New Mexico was fulfilling its obligations to assess escrow from nonparticipating manufacturers to the MSA.

There was discussion about Ms. Baxter's testimony at the arbitration hearing. Ms. Baxter said that it was her opinion that the state presented a great case.

Pediatric Oncology

Dr. John F. Kuttish, Jr., Ph.D., chief, Division of Pediatric Hematology/Oncology, UNM Children's Hospital, gave a presentation to the committee on pediatric oncology. He shared statistics on the prevalence of childhood cancer in the United States: 12,400 children and adolescents (and their families) are diagnosed with cancer per year; one of every 500 young adults is a childhood cancer survivor; cancer is the leading cause of death by disease in children and adolescents; the causes of most pediatric cancers remain a mystery and cannot be prevented; there is a 100% socioeconomic and psychosocial impact on the family and communities of children and adolescents diagnosed with cancer; the incidence of childhood cancer is 17 in 100,000; and survival rates for various types of cancers has dramatically increased since the mid-1970s. (Please refer to slides 2 and 3 of the handout, marked as agenda item 6, for more information.) Dr. Kuttish informed the committee that increases in survival rates can be attributed, in part, to sub-specialization, an emerging multidisciplinary care approach and collaboration between children's oncology groups. Challenges to care include immediate and long-term complications, including familial stress, social stigma, neurological/learning disabilities and secondary cancers. Dr. Kuttish discussed what UNM is doing to meet these challenges. He told the committee that the mission of UNM is "to decrease the burden of childhood cancer in children and families of New Mexico through clinical service, research and education". (Please refer to slides 6 through 15 of the handout, marked as agenda item 6, for more information.)

UNM Children's Hospital has a medium-sized cancer program featuring pediatric specialists and is the only tertiary care provider of oncology services for infants, children and adolescents in New Mexico. Specialists work with patients from diagnosis through survival. The hospital features a multidisciplinary care approach, combining the resources of a comprehensive children's hospital with the resources of a comprehensive Cancer Center, and it features a hospice program. The Mariposa program is composed of a team of highly trained professionals and offers the only pediatric palliative care and hospice resource in New Mexico. Mariposa offers comprehensive, compassionate care for infants, children and adolescents with

many life-limiting conditions, not just cancer. This program emphasizes quality of life rather than length of life, and it supports the entire family.

UNM Children's Hospital is home to nationally recognized investigators working in the areas of brain tumors, experimental therapies and leukemia research. The Children's Oncology Group at UNM has over 90% of its eligible patients enrolled in NCI-approved therapeutic trials, 65 open research studies and cancer-control research studies.

Since 2012, 1,316 medical students and residents have engaged in clinics, inpatient student lectures, boards, rounds, conferences, student teaching and fellowship activities in pediatric hematology/oncology. The children's hospital has engaged in outreach through the YES Clinic. The clinic is a place for childhood cancer survivors of all ages. It provides multidisciplinary follow-up for nearly 500 survivors of pediatric malignancies. YES Clinic programming includes health assessments and screening, a school re-entry program, a tobacco-use screening and cessation program and a young adult transition program.

Dr. Kuttesh concluded his presentation by informing committee members how TSFs are used to support UNM Children's Hospital. He stated that TSFs support the mission of UNM Children's Hospital by supporting access to the best therapies available in the world to improve outcomes for children diagnosed with cancer. TSFs also support survivorship, education and outreach efforts. (Please refer to slide 16 of the handout, marked as agenda item 6, for more information.)

Questions and Comments

A committee member asked Dr. Kuttesh to elaborate on the reported 40% increase in the cancer survival rate between the mid-1970s and early 2000s and if the incidence of cancer is greater or less than in the past. Dr. Kuttesh stated that there has been an increase in the incidence of cancer; however, the increase may be due to an increase in data collection. There is a national health center registry to which UNM contributes data. The current rate of cancer for children under the age of 14 is 18 in 100,000. Dr. Kuttesh stated that there are different cancer rates in different ethnic groups. Higher rates stem from difficulties surrounding access to care and social stigma. For example, some types of leukemia are difficult to treat in Hispanic children, but not in Native American children.

A legislator commented on the 20% mortality rate reported in the presentation and asked Dr. Kuttesh how New Mexico's cancer mortality rate compares with other states. Dr. Kuttesh stated that New Mexico cancer mortality rates are similar to other states, with variations depending on disease and patient characteristics. Leukemia outcomes are similar to the national rates.

A committee member asked if there are any New Mexico counties that have outrageous rates of cancer. Dr. Kuttesh stated that the pool for this type of research in New Mexico is very small, so that type of information is difficult to quantify.

A legislator asked whether a child has to go through UNM HSC for rehabilitation if that child has to have an amputation stemming from cancer complications. Dr. Kuttresh said yes. He added that it is important to note that fewer children are going through amputations now than in the past. UNM HSC utilizes its resources and networks to perform limb salvages instead of amputations.

Several legislators expressed interest in a recent court decision regarding organ donation for transplants in children. Dr. Kuttresh stated that it is difficult to quantify what constitutes need, priority and risk for children receiving adult organs. Committee members agreed that in light of the court decision, there is a new national standard for organ donation for transplants for children, and they acknowledged that New Mexico has an overabundance of organs.

Another committee member commented on the screenings for smoking in the YES Clinic. Dr. Kuttresh stated that the program works primarily with adolescents, so this type of screening is necessary and expected. The program also screens family members for smoking.

A legislator asked about the length of time it takes for child cancer patients to see a doctor in the case of an emergency when they are in their home communities. Dr. Kuttresh stated that he, and most doctors, will try to see the child within 24 hours. In emergencies, the children's hospital works with the local emergency room to coordinate care until the child can be transferred to Albuquerque.

A committee member asked about how budget cuts affect matching funds for federal grants and the creation of jobs at UNM Children's Hospital and the UNM Cancer Center. The member added that investing in health is good economic and socioeconomic policy. Dr. Kuttresh responded that a sick child means that parents cannot work, so there are fewer economic opportunities for the family, and the economy suffers. There is an economic impact on the family and the community.

Committee members asked Dr. Kuttresh if he has seen any impact from Obamacare. Dr. Kuttresh stated that he serves a very poor population, so there is a high rate of unreimbursed care. Funding for child health is different from funding for adults. Having insurance through Obamacare helps families. He stated that a patient with no money and no insurance is often in better shape than a working family because a patient qualifies for more assistance. Co-payments for care often cost more than a house payment. Dr. Kuttresh stated that he is salaried and works at the university to do research and help others, not to make a lot of money. He said that Obamacare will help families, that it will help working families to have smaller co-pays and that it will help 33% to 40% of New Mexico families.

A legislator asked Dr. Kuttresh to talk about how much education a person needs to hold a position similar to his. Dr. Kuttresh told the committee that an individual would need four years of undergraduate education, four years of medical school and then specialization. Specialization time frames vary. Education is approximately three years for pediatrics, followed by three to four

years for hematology; surgical specialization requires an eight-year to 10-year residency. In total, an orthopedic surgeon has more than 30 years of education.

A motion by Senator McSorley to send a letter to the LFC and the LHHS to have UNM HSC make presentations to the committees was seconded by Senator Torracco and unanimously approved.

Public Comment

Jane Larson, executive director of Native American Professional Parent Resources (NAPPR), spoke on behalf of NAPPR. She informed the committee that NAPPR is a program supported, in part, by TSFs. The program empowers, educates and provides supportive services to build healthy Native American children and families, and it partners with the DOH's Family Infant Toddler (FIT) program and the March of Dimes. Ms. Larson apprised the committee of a study from the March of Dimes program showing that maternal smoking causes birth defects and can cause genetic mutations that can produce third-generation birth defects. NAPPR partners with the FIT program to provide services to children with disabilities associated with maternal tobacco use. Ms. Larson told the committee that while the program has been repeatedly recognized for its work, it has been seriously underfunded. Ms. Larson urged the committee to allocate funding for the FIT program in the next fiscal year.

Jim Copeland, executive director of Alta Mira Specialized Family Services, spoke to the committee advocating increased funding for the FIT program in the next fiscal year. He stated that the program serves nearly 1,000 children in Bernalillo County. In the last year, the program provided over 5,000 hours of therapy and 5,500 hours of developmental instruction. He stated that providers are being paid at 2003 rates. Mr. Copeland informed the committee that the program was forced into overspending its budget by \$4 million because of the entitlement incorporated into FIT programming. He stated that the FIT program is qualified to receive TSFs because it provides education and health services.

Anna Otero Hatanaka spoke in support of the FIT program. She stated that it is "the gem" of the DOH. Ms. Otero Hatanaka informed the committee that, per federal law, anytime there is a child involved where there is substantiation of abuse, neglect or exploitation, the family is automatically referred for assessment. She also stated that the FIT program is fiscally sound; the return on investment is huge. Ms. Otero Hatanaka cited the budget of FIT as being deficient. She said that it is difficult for FIT-related agencies to recruit staff because they are competing with universities and health systems. To combat this, provider rates must be increased. The DOH needs a supplemental appropriation for the FIT program because there is no waiting list to receive services.

Approval of Minutes

A motion by Representative Chasey to approve the minutes of the July 29, 2013 meeting was seconded by Representative Trujillo and unanimously approved.

Adjourn

The meeting adjourned at 3:45 p.m., at which time staff and committee members toured the UNM Cancer Center.